

Informal Post-Workshop Comments
Track 2, Joint Reliability Plan R.14-02-001

April 23, 2015

The April 9, 2015, JRP workshop began with a statement of two goals for the Track 2 effort in the JRP proceeding, R.14-02-001:

Goal 1: Provide information to market as well as regulators to increase the likelihood that valuable resources will continue to contribute to grid reliability.

Goal 2: Develop a framework for evaluating the availability of generation resources to reliably meet load looking forward from one to ten years.

The GPI focuses on these goals in these brief, informal comments.

The first goal is to produce information that will increase the likelihood that valuable resources will continue to contribute to grid reliability. Basic economic theory tells us that resources that the market values are appropriately rewarded, and therefore can be expected to continue to contribute to grid reliability. As we understand the concerns underlying the development of the Joint Reliability Plan, the effort is really keyed to identifying generating resources that the market does not value highly enough to justify continued operations on the part of the owners, but that are capable of contributing to grid reliability in extreme conditions even though they are money losers under normal conditions.

The GPI wishes to caution the proceeding that efforts to subsidize generators in the category of too expensive to keep operating, but capable of providing reliability services under extreme conditions, inevitably comes at the expense of all of the possible alternatives for providing the equivalent service, some of which are preferred resources. We urge the Commission to consider the full range of alternatives available for providing grid-reliability services, headed by preferred resources, when considering whether it is

really necessary to save old fossil-fired generators that the market has determined are no longer economic to keep online.

The second goal is to “develop a framework for evaluating the availability of generation resources to reliably meet load looking forward from one to ten years.” While we recognize the desirability of the Commission having such a framework, as well as the desirability of other agencies having access to such a framework, we are struck by the fact that the LTPP proceeding at this Commission is currently engrossed in a very similar developmental effort. We hope that these efforts are fully coordinated.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Gregg Morris". The signature is written in a cursive, flowing style.

Gregg Morris
Director, GPI